PATENT
Attorney Docket No. 020375-053700US
Client Ref. No.

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:	Confirmation No. 4231
Thomas R. Gandre et al.	Examiner: Mamon A. Obeid
Application No.: 10/807,431	Technology Center/Art Unit: 3621
Filed: March 23, 2004	APPELLANTS' BRIEF UNDER 37 CFR §41.37
For: TRANSACTION SYSTEM WITH SPECIAL HANDLING OF MICROPAYMENT TRANSACTION REQUESTS	

Mail Stop Appeal Brief
Commissioner for Patents
P.O. Box 1450
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Commissioner:

Further to the Notice of Appeal mailed on March 13, 2009 for the above-referenced application, Appellants submit this Brief on Appeal.

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1. REAL PARTY IN INTEREST

The real party in interest is First Data Corporation.

2. RELATED APPEALS AND INTERFERENCES

No other appeals or interferences are known which will directly affect, are directly affected by, or have a bearing on the Board decision in this appeal.

3. STATUS OF CLAIMS

Claims 1-43 were originally filed in the application on March 23, 2004, and claims 21-43 were canceled in the Response to Restriction Requirement filed April 8, 2008. Claims 1 and 11 were amended September 4, 2008.

All of the remaining claims 1-20 stand rejected and are the subject of this appeal.

Claims 21-43 have been canceled.

No claims have been withdrawn.

No claims stand allowed.

4. STATUS OF AMENDMENTS

An amendment was submitted on January 27, 2009, after the Final Office Action. This after-final amendment did not amend, cancel or withdraw any claims. The amendment was entered, and an Advisory Action mailed February 11, 2009 maintained the rejections given for claims 1-20 in the Final Office Action.

5. SUMMARY OF CLAIMED SUBJECT MATTER

Applicants' claims recite a system and method for determining whether to require a user to enter a secret code (such as a personal identification number, or PIN) into an electronic transaction device for completing selected merchant transactions. A table includes a plurality of merchant categories and transaction threshold amounts for each category. A transaction amount for a transaction is compared with the transaction threshold associated with the merchant at

which the transaction is conducted, and the secret code is required if the transaction amount exceeds the respective threshold. (Specification paragraph [0003]).

This system allows the same payment device (for example a magnetic stripe card or contactless smart card) to be used both for micropayments where no PIN is required, and also for larger purchases as a traditional debit card. The decision whether to treat the transaction as a micropayment or a PIN-debit transaction is based on the amount of the transaction, and the kind of merchant at which the transaction is taking place. The transaction amount thresholds in the table can be adjusted based on typical payment amounts for the respective merchant types. (Specification paragraphs [0018], [0025]).

The table of transaction threshold amounts may reside in various locations in the system, for example at an electronic transaction device, at a terminal driver, at an acquirer processor, or at a payment network. (Specification paragraphs [0025]-[0027], Figure 1).

Independent claim 1:

Claim 1 recites a computer-implemented method of determining whether to require a user to enter a secret code into an electronic transaction device for completing selected merchant transactions. (Paragraph [0003]). A user presents a form of account identification to an electronic transaction device to initiate a transaction. (Paragraphs [0003], [0023]). A transaction amount is input. (Paragraphs [0003], [0022]). A table is provided that includes a plurality of merchant categories and transaction threshold amounts for each merchant category. (Paragraphs [0003], [0025], Figure 1). The merchant category is obtained for each initiated transaction, and the inputted transaction amount is compared to the transaction threshold associated with the merchant (step (e)). (Paragraphs [0003], [0022], [0025]). The user is required to enter the secret code for the selected transaction if the inputted transaction amount exceeds the transaction threshold amount associated with the merchant. (Paragraphs [0003], 0025]). The table resides at the electronic transaction device and step (e) is performed by the electronic transaction device, or the table resides at a terminal driver and step (e) is performed by the terminal driver, or the table resides at an acquirer processor and step (e) is performed by the

acquirer processor, or the table resides at a payment network and step (e) is performed by the payment network. (Paragraphs [0025]-[0027], [0038], Figure 1).

Independent claim 11:

Claim 11 recites a computer-implemented apparatus for determining whether to require a user to enter a secret code into an electronic transaction device for completing selected merchant transactions. (Paragraphs [0003], [0043], [0044], Figure 1). The apparatus comprises means for presenting a form of account identification to an electronic transaction device to initiate a transaction and means for inputting a transaction amount. (Paragraphs [0018], [0022], [0025], [0043], [0044]). A table includes a plurality of merchant categories and transaction threshold amounts for each merchant category. (Paragraph [0025], Figure 1). The apparatus further includes means for obtaining the merchant category for each initiated transaction, and means for comparing the inputted transaction amount to the transaction threshold associated with the merchant (step (e)). (Paragraphs [0024], [0025], [0043], [0044]). The apparatus also includes means for requiring the user to enter the secret code for the selected transaction if the inputted transaction amount exceeds the transaction threshold amount associated with the merchant. (Paragraphs [0025], [0043], [0044]). The table resides at the electronic transaction device and step (e) is performed by the electronic transaction device, or the table resides at a terminal driver and step (e) is performed by the terminal driver, or the table resides at an acquirer processor and step (e) is performed by the acquirer processor, or the table resides at a payment network and step (e) is performed by the payment network. (Paragraphs [0025]-[0027], [0038], Figure 1).

6. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

A. Whether claims 11-20 are indefinite under 35 U.S.C. § 112 for failing to particularly point out and distinctly claim the subject matter which Applicants regard as the invention.

B. Whether claims 1-20 are unpatentable under 35 U.S.C. § 103(a) over Berardi et al., U.S. Patent 2004/0049451 ("Berardi") in view of Langhans et al., U.S. Patent 5,621,201

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("Langhans"). Pages 3-7 of the Final Office Action mailed December 15, 2008 and the Advisory Action mailed February 10, 2009 describe the Examiner's position on this issue.

7. ARGUMENT

A. Rejection under 35 U.S.C. § 112

Claims 11-20 have been rejected under 35 U.S.C. § 112, second paragraph, for allegedly failing to particularly point out and distinctly claim the subject matter which Applicants regard as the invention. Specifically, the Final Office Action objects that the specification does not clearly link corresponding structure to the means-plus-function elements of claim 11. Applicants respectfully disagree.

The specification gives examples of hardware means for performing each function recited in claim 11:

With regard to element (a), *means for receiving a form of account identification at an electronic transaction device to initiate a transaction* and element (b) *means for receiving a transaction amount*, specification paragraphs [0022] and [0023] indicate that a "transaction is received at merchant POS equipment" and that the "POS equipment can be a contactless chip card reader or a traditional magnetic stripe reader...."

With regard to element (d), *means for obtaining the merchant category for each initiated transaction*, specification paragraph [0024] indicates that the "merchant POS equipment or the terminal driving software identifies the SIC code or MCC for the merchant." Paragraphs [0012] and [0013] explain that SIC codes MCCs are indications of the merchant category.

With regard to element (e), *means for comparing the inputted transaction amount to the transaction threshold associated with the merchant*, specification paragraph [0025] explains that the "merchant POS equipment or terminal driving software consults Table A ... to determine if the transaction amount is greater than a threshold amount for the merchant type...."

With regard to element (f), *means for requiring the user to enter the secret code for the selected transaction if the inputted transaction amount exceeds the transaction threshold amount associated with the merchant*, specification paragraph [0025] indicates that if the transaction amount exceeds the threshold amount for the merchant type, "then the customer is

prompted to enter a PIN...." Paragraph [0015] explains that a PIN is one kind of secret code. Figure 1 shows a "PIN pad" on which a PIN may be entered.

Furthermore, specification paragraphs [0043] and [0044] indicate that "the invention may be implemented with any combination of hardware and software", and "can be included in an article of manufacture ... having, for instance, computer readable media."

Applicants respectfully submit that the specification amply describes structure linked to the means recited in claim 11, and that the rejection is therefore incorrect.

B. Rejection under 35 U.S.C. § 103(a)

Claims 1-20 have been rejected under 35 U.S.C. § 103(a) as being allegedly unpatentable over the cited portions of Berardi et al., U.S. Patent Publ. 2004/0049451 ("Berardi") in view of the cited portions of Langhans et al., U.S. Patent 5,621,201 ("Langhans").

Claims 1-10

Claim 1 recites in part that *the table resides at the electronic transaction device and step (e) is performed by the electronic transaction device, or wherein the table resides at a terminal driver and step (e) is performed by the terminal driver, or wherein the table resides at an acquirer processor and step (e) is performed by the acquirer processor, or wherein the table resides at a payment network and step (e) is performed by the payment network.*

The Office Action relies on Langhans to teach or suggest that *the table resides at a payment network and step (e) is performed by the payment network.* Applicants respectfully disagree.

Step (e) of claim 1 recites *comparing the transaction amount to the transaction threshold associated with the merchant.*

In support of the rejection, the Final Office Action cites Langhans' Figure 8 and related text. Applicants believe the text related to Figure 8 is column 5 line 62 through column 6 line 44 of Langhans. (Final Office Action p. 4). This passage states explicitly that an "authorization request is transmitted to corporate card processor 70 for authorization." (Langhans col. 6 lines 34-35). As Applicants have previously explained, Langhans' corporate card processor is in a position analogous to that of a card issuer in Applicants' system, and

Langhans' corporate card processor is not a *payment network*. In fact, Langhans' corporate card processor "is **connected to** a network, such as VisaNet network 94." (Langhans col 6 lines 11-12, emphasis added).

Langhans does indicate that the VisaNet system can stand in for some functions if the corporate card processor is unavailable, but makes clear that the stand-in processing is limited, for example to "card number verification, PIN verification and balance verification." (Langhans col. 6 lines 39-42). Langhans makes no suggestion that the VisaNet system can compare a transaction amount with any merchant-specific threshold.

The Final Office Action also cites column 7 line 17 through column 8 line 27 as teaching or suggesting that *the table resides at a payment network and step (e) is performed by the payment network.* (Final Office Action p. 4). Applicants note that this passage does describe a dollar limit test for a particular merchant code grouping, but is not specific as to where the test is performed. However, Langhans Figure 9 and column 6 lines 45-65 indicate that the tests described by Langhans are performed by the "corporate card processor".

Because Langhans does not teach that for which it is relied upon, the Office Action has not made out a *prima facie* case of obviousness with respect to claim 1, and claim 1 is believed allowable over the cited references. Claims 2-10 depend from claim 1 and add further limitations, and are believed allowable for at least this reason.

Claims 11-20

Claims 11-20 recite apparatus that perform functions similar to the methods of claim 1-10, and are believed allowable for the reasons given above with respect to claims 1-10.

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8. CONCLUSION

For these reasons, it is respectfully submitted that the rejection should be reversed.

Respectfully submitted,

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9. CLAIMS APPENDIX

1.   A computer-implemented method of determining whether to require a user to enter a secret code into an electronic transaction device for completing selected merchant transactions, the method comprising:

(a)   receiving account identification information read from a form of account identification presented by a user to an electronic transaction device to initiate a transaction;

(b)   receiving a transaction amount;

(c)   providing a table that includes a plurality of merchant categories and transaction threshold amounts for each merchant category;

(d)   obtaining the merchant category for each initiated transaction;

(e)   comparing the transaction amount to the transaction threshold associated with the merchant; and

(f)   requiring the user to enter the secret code for the selected transaction if the inputted transaction amount exceeds the transaction threshold amount associated with the merchant;

wherein the table resides at the electronic transaction device and step (e) is performed by the electronic transaction device, or wherein the table resides at a terminal driver and step (e) is performed by the terminal driver, or wherein the table resides at an acquirer processor and step (e) is performed by the acquirer processor, or wherein the table resides at a payment network and step (e) is performed by the payment network.

2.   The method of claim 1 wherein the selected transactions are transactions where the form of account identification is contactless.

3.   The method of claim 2 further comprising:

(g)   automatically routing the transaction to a user's stored value account for debiting of the transaction amount.

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4.   The method of claim 1 wherein the merchant transactions are debit transactions.

5.   The method of claim 1 wherein the secret code is a PIN.

6.   The method of claim 1 wherein the form of account identification is a physical contactless device.

7.   The method of claim 1 wherein the form of account identification is a magnetic stripe card.

8.   The method of claim 1 wherein the form of account identification is biometric data.

9.   The method of claim 1 wherein the merchant categories are defined by SIC codes.

10.   The method of claim 1 wherein the merchant categories are defined by merchant category codes.

11.   A computer-implemented apparatus for determining whether to require a user to enter a secret code into an electronic transaction device for completing selected merchant transactions, the apparatus comprising:

        (a)   means for receiving a form of account identification at an electronic transaction device to initiate a transaction;

        (b)   means for receiving a transaction amount;

        (c)   a table that includes a plurality of merchant categories and transaction threshold amounts for each merchant category;

        (d)   means for obtaining the merchant category for each initiated transaction;

        (e)   means for comparing the inputted transaction amount to the transaction threshold associated with the merchant; and

(f)   means for requiring the user to enter the secret code for the selected transaction if the inputted transaction amount exceeds the transaction threshold amount associated with the merchant;

wherein the table resides at the electronic transaction device and step (e) is performed by the electronic transaction device, or wherein the table resides at a terminal driver and step (e) is performed by the terminal driver, or wherein the table resides at an acquirer processor and step (e) is performed by the acquirer processor, or wherein the table resides at a payment network and step (e) is performed by the payment network.

12.   The apparatus of claim 11 wherein the selected transactions are transactions where the form of account identification is contactless.

13.   The apparatus of claim 12 further comprising:

(g)   automatically routing the transaction to a user's stored value account for debiting of the transaction amount.

14.   The apparatus of claim 11 wherein the merchant transactions are debit transactions.

15.   The apparatus of claim 11 wherein the secret code is a PIN.

16.   The apparatus of claim 11 wherein the form of account identification is a physical contactless device.

17.   The apparatus of claim 11 wherein the form of account identification is a magnetic stripe card.

18.   The apparatus of claim 11 wherein the form of account identification is a biometric data.

19.   The apparatus of claim 11 wherein the merchant categories are defined by SIC codes.

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20.   The apparatus of claim 11 wherein the merchant categories are defined by merchant category codes.

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10. EVIDENCE APPENDIX

None.

11. RELATED PROCEEDINGS APPENDIX

None.